



PROTECTING CONSUMERS.
PROMOTING TRANSPARENCY.
EMPOWERING CITIZENS.

Health Access Program

Policy Paper

April 16, 2013

Georgia non-profit hospitals could do more to publicize their financial assistance policies

By Bill Rencher, JD, MPH

Director, Health Access Program

Introduction

Despite state and federal requirements for public notification of financial assistance policies, several Georgia non-profit hospitals have not posted this information on their websites, and some will not even provide this information over the phone. State law requires non-profit hospitals who participate in the Georgia Indigent Care Trust Fund (ICTF) to take appropriate steps to notify the public of the availability of financial assistance for those with difficulty paying their hospital bills. Specifically, state regulations require that hospitals post clear signage in waiting areas and billing offices informing patients about financial assistance. The federal Patient Protection and Affordable Care Act (ACA), signed into law in 2010, further requires that hospitals adopt measures to “widely publicize” their policies. Extensive guidance from the Internal Revenue Service (IRS) in the form of proposed regulations released in June 2012 specifies in part that financial assistance policies must be posted on a hospital’s website and be made available, free of charge, for downloading to anyone with Internet access. Clearly, hospitals that wish to be classified as tax-exempt charities for tax purposes must be pro-active in publicizing their policies for charity care. A survey of several Georgia non-profit hospitals reveals, however, that some are still not making their policies readily available to the public.

Legal and Regulatory Background

The historic rationale for granting non-profit hospitals tax-exempt status is the assumption that they contribute to society by providing certain health benefits to their communities, including the provision of free and reduced care to indigent patients. Most states now go beyond this mere assumption and specifically require certain community benefits in exchange for a hospital’s tax exempt status. For example, Georgia hospitals participating in the ICTF are required to offer free care to patients with incomes below 125% of the federal poverty level (FPL) and discounted care to patients with incomes between 125% and 200% of FPL

(Georgia DCH, Policies and Procedures for Hospital Services, Appendix Q (II)(D)(1)). ICTF regulations further require that hospitals give adequate notice to the public about financial assistance options available and specifically require that hospitals “place readable signs in the emergency room, business office and the admissions area that include the appropriate program information” (same, Appendix Q (II)(E)(4)).

The ACA, signed into law by President Obama on March 23, 2010, further establishes national standards for non-profit hospitals. In addition to reporting on their annual tax returns the details of their financial assistance policies, non-profit hospitals must also take “measures to widely publicize the policy within the community to be served by the organization” (I.R.C. § 501-r (4)(A)(v)). Proposed IRS regulations released in June 2012 interpret this provision as including the requirement, among many others, that hospitals must make a plain language summary of their policies available on their website for anyone to download and print free of charge (IRS, proposed 21 C.F.R. 1.501 r-4 (b)(5)(i)(A) and (iv)(B)). In addition, hospitals must inform any individual who asks how to obtain a copy of the policy (same, (iv)(C)). Although these proposed rules have not yet been finalized, in their proposed form they indicate how the IRS intends to enforce this portion of the law. These state and federal rules represent the public expectation that non-profit hospitals who wish to maintain their tax-exempt charitable status will be pro-active in informing the public about the availability of financial assistance and helping qualified patients apply.

A Sample of Georgia Hospitals

Georgia Watch recently surveyed several of Georgia’s best known non-profit hospitals from various regions of the state and found that while most have their policies posted in easy to find locations on their websites, some were harder to find than others, some were only available by calling a referral number, and still others were not available at all. [Northside Hospital](#), [Piedmont Hospital](#), and [Saint Joseph’s Hospital](#) in Atlanta all had their policies posted in easy to find locations on their websites along with instructions for patients seeking assistance. Similarly, [Wellstar Kennestone Hospital](#) in Marietta, [Phoebe Putney Memorial Hospital](#) in Albany, and [Northeast Georgia Medical Center](#) in Gainesville all provided the same information on their websites.

The financial assistance policy of Emory University Hospital in Atlanta was more difficult to find. [Emory’s billing page](#) makes no mention of financial assistance or the ICTF. It does not even address what to do if a patient cannot pay their bill. However, on the [FAQ page](#) for the hospital’s online bill-pay option, in response to the question “where can I find Emory’s charity care policy?”, there is a link which provides a downloadable copy. Unfortunately, the policy does not provide information on how to actually apply for assistance; presumably, that would be done through the billing department. Phone calls to Emory for clarification were not returned.

Several hospitals do not post the actual policy online, but provide a contact number in order to obtain it. For example, [Floyd Medical Center](#) in Rome has a billing FAQ page that provides a number to call for patients who need assistance. Calling the number, we were able

to quickly obtain a faxed copy of the policy and inquire about billing options. Likewise, [Grady Memorial Hospital](#) in Atlanta provides a number on the billing page of their website. When we called that number, we were referred to another number, 404-616-6920, which provided recorded instructions on how to apply and the opportunity to talk to a financial counselor. The website billing page of [DeKalb Medical Center](#) in Decatur provides a number for “financial counseling,” but makes no mention of actual assistance or the ICTF. Upon calling the number, we were unable to get a copy of the policy from their customer service representative. Instead, she passed along our information to her supervisor who did not call back. It is possible that such information is only provided to patients.

Surprisingly, the teaching hospital at [Georgia Regents University](#) (formerly known as the Medical College of Georgia), the state’s only public University hospital, does not provide any information on its website nor even on its billing information page about financial assistance or the ICTF. The page for online bill pay does provide a customer service number. However, when Georgia Watch called that number the representative specifically stated that it was the policy of the hospital not to release their financial assistance policy to the public. Even so, the representative was able to answer specific questions about the options available to patients.

Actions to be Taken

Although most of the hospitals we sampled are complying with new federal regulations that require the online posting of their financial assistance policies, there is clearly more work to be done in Georgia, both by the hospitals themselves and by health advocates. Hospitals are now clearly expected to be pro-active in publicizing their policies. Hospitals who only post a phone number where patients can obtain more information are not in full compliance with the proposed rules—which now serve as enforcement guidance—nor with the elevated standard that the new rules represent. Furthermore, not providing any information at all is a clear violation of both the letter and spirit of existing laws and regulations. Hospitals that have not yet done so should move quickly to publicize their policies to the greatest extent possible.

As an advocate for healthcare consumers, Georgia Watch is experienced in holding non-profit hospitals accountable for community benefits and financial assistance policies. Therefore, we are in a unique position to educate them about the new regulations. We will advocate for online notifications that are consistent across hospital websites, provide the most needed information for consumers, and are easy to find. Opportunities for advocacy may also exist with federal and state governments. The new regulations are only as strong as the IRS’s willingness to enforce them. Once the rules are finalized, we will monitor the IRS’s enforcement efforts to ensure that consumers’ interests are protected as intended by the ACA. Furthermore, at the state level, the ICTF regulations need to be modified to reflect new federal guidelines and the importance of the Internet to today’s healthcare consumers. The obvious expectation behind all of these regulations is that non-profit hospitals who want to maintain their status as tax-exempt charities must pro-actively inform the public about their policies for charity care. Georgia Watch will continue to monitor the implementation and enforcement of existing and future laws and regulations governing non-profit hospitals, as well as the internal policies of the hospitals themselves, to make sure that they live up to this expectation.